



TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

HOUSE OF REPRESENTATIVES

COMMITTEE ON WAYS & MEANS

P.O. BOX 500586 SAIPAN, MP 96950

JOHN PAUL P. SABLAN
CHAIRMAN

Adapted - 8/29/2025

STANDING COMMITTEE REPORT NO. 24-27

DATE: August 19, 2025

RE: House Bill No. 24-50

The Honorable Edmund S. Villagomez
Speaker of the House of Representatives
Twenty-Fourth Northern Marianas
Commonwealth Legislature
Capitol Hill
Saipan, MP 96950

Dear Mr. Speaker:

Your Committee on Ways and Means to which was referred:

House Bill No. 24-50: “To authorize a loan between the Commonwealth Government and the Marianas Public Land Trust in the amount of \$29,000,000 and authorize the Marianas Public Land Trust to withhold and retain net annual distributable income starting Fiscal Year 2026 for repayment and security of the loan.”

begs leave to report as follows:

I. RECOMMENDATION:

After considerable discussion, your Committee recommends that House Bill No. 24-50 be passed by the House in its current form.

TO: CLERK'S OFFICE
RECEIVED BY: *JW*
DATE: 8/26/2025
TIME: 8:15 AM

II. ANALYSIS:

A. Purpose:

The purpose of this Act is to authorize a loan between the Commonwealth Government and the Marianas Public Land Trust in the amount of \$29,000,000 and authorize the Marianas Public Land Trust to withhold and retain net annual distributable income starting Fiscal Year 2026 for repayment and security of the loan.

B. Committee Findings:

Your Committee finds that the Commonwealth's fiscal resources are being strained by the exhaustion of federal assistance and the ongoing slow recovery of tourism in the aftermath of the COVID-19 pandemic. Consequently, the Legislature has determined that a loan from the Marianas Public Land Trust ("MPLT") is necessary to address the Minimum Annual Payment to the Settlement Fund. Your Committee further finds that the Final Amended Agreement and Stipulation of Settlement in *Johnson v. Inos et al.*, 1:09-cv-00023 (D. N. Mar. I. Aug. 6, 2013), ECF No. 468-1 at 11, mandates that the CNMI "make minimum annual payments to the Settlement Fund sufficient to enable the Settlement Fund to pay 75% of Class Members' Full Benefits each year for the Settlement Fund's expected life as determined by an independent actuary appointed by the Trustee and approved by the District Court."

Your Committee further finds that in accordance with Article X, Section 3 of the NMI Constitution, the Legislature is authorizing a loan from the Marianas Public Land Trust to pay the Minimum Annual Payment for Fiscal Year 2026 in the amount of \$29 million (\$29,000,000.00) and with a simple interest rate of 7.5% calculated annually. Moreover, the Legislature pledges as security and earmarks for debt service until the loan is redeemed the interest accrued on MPLT's trust proceeds and owed to the Commonwealth pursuant to Article XI, Section 6(d) of the NMI Constitution. That is, the Legislature authorizes MPLT to withhold transfer of accrued interest on the trust proceeds until such time as the principal and interest loan balance is redeemed. To ensure transparency and accountability, the Secretary of Finance shall issue a quarterly summary "MPLT Loan Report" which shall be a financial statement detailing the loan balance, the interest accrued, list of expenses, drawdown breakdown, and any reductions due to Marianas Public Land Trust withholding the interest distribution. This MPLT Loan Report shall be submitted to the Governor, Lt. Governor, the presiding officers of both houses of the Legislature, and the trustees of the Marianas Public Land Trust. The Secretary of Finance shall further provide a drawdown payment list to each of the above-enumerated entities prior to expending the funds.

Your Committee acknowledges the economic challenges facing the CNMI and thus supports the intent and purpose of this Act, recommending its passage in its original form.

C. Public Comments/Public Hearing:

GOV.COMM. 24-34: Governor Palacios Letter to President Mendiola and Speaker Villagomez dated June 30, 2025.

“I am writing to inform you that my Administration will not be submitting a revised Fiscal Year 2026 Budget on July 1, 2025. The budget proposal submitted on April 1, 2025, will remain as the official proposal for the upcoming fiscal year.

This decision is based on the confirmation from the Secretary of Finance that there are no changes to the revenue projections for Fiscal Year 2026.

In addition, my Administration – through the Commonwealth Economic Development Authority – is actively engaged in discussions with the Marianas Public Land Trust (MPLT) to secure a \$29 million pension obligation interim bond, as authorized under Public Law 18-12 and its amendments (PL18-44, PL18-45). These funds are critical to meeting the minimum annual payment obligation to the NMI Settlement Fund retirees for Fiscal Year 2026.

The April 1st budget assumes successful execution of the bond by October 1, 2025, and included a \$5.45 million anticipated debt service payment. Recent discussions with MPLT reflect strong interest in legislative collaboration – specifically concerning authority for interest withholding. My Administration is fully committed to working with you to move this initiative forward and prevent significant cuts to vital services in the new fiscal year.”

MISC. COMM: 24-46: MPLT Letter to Governor Palacios dated July 1, 2025.

“On June 30, 2025, at the Marianas Public Land Trust (MPLT) General Fund regular meeting, the Trustees approved to consider Scenario 2 (Low Interest) of the Administration’s \$29 million investment proposal. As you know, Scenario 2 requires the full faith and credit of the CNMI Government, through legislation authorizing MPLT to withhold 100% distributable net income as payment towards debt service of an approved investment. Furthermore, the MPLT Trustees set a deadline of 90 days for the passing of the required withholding legislation and due diligence review process. Scenario 2 is the only option the Trustees have decided to consider.”

GOV.COMM. 24-34 and MISC. COMM: 24-46 have been attached as part of this committee report.

D. Legislative History:

House Bill No. 24-50, introduced by Representative John Paul P. Sablan on August 15, 2025, was subsequently referred to the House Standing Committee on Ways and Means for disposition.

E. Cost Benefit:

Please see the attached cost benefit analysis prepared by the House Fiscal Analyst.

III. CONCLUSION:

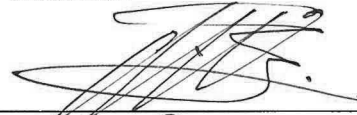
The Committee is in accord with the intent and purpose of House Bill No. 24-50, and recommends its passage in its original form on First and Final Reading.

Respectfully submitted,



Rep. John Paul P. Sablan
Chairman

Rep. Blas Jonathan "BJ" T. Attao
Vice Chairman



Rep. Vincent S. Aldan, Member

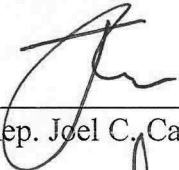
Rep. Roy A. Ada, Member



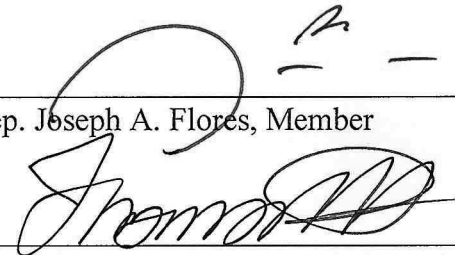
Rep. Roman C. Benavente, Member

Rep. Angelo A. Camacho, Member

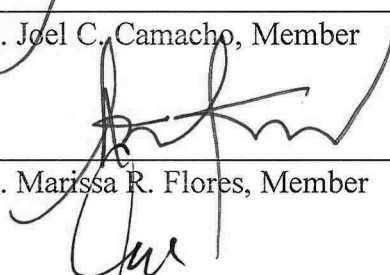
Rep. Joel C. Camacho, Member



Rep. Joseph A. Flores, Member

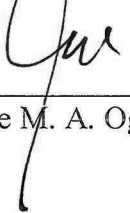


Rep. Marissa R. Flores, Member



Rep. Thomas John "TJ" DLC. Manglona, Member

Rep. Julie M. A. Ogo, Member



Rep. Malcolm J. Omar, Member

Rep. Patrick H. San Nicolas, Member

Rep. Denita Kaipat Yangetmai, Member



Rep. Ralph N. Yumul, Member



Reviewed by:

Joseph D. Zeff
House Legal Counsel

Date: 8/21/25

ATTACHMENT: GOV.COMM 24-34
 MISC.COMM 24-46
 Cost Benefit Analysis



Arnold I. Palacios
Governor

David M. Apatang
Lieutenant Governor

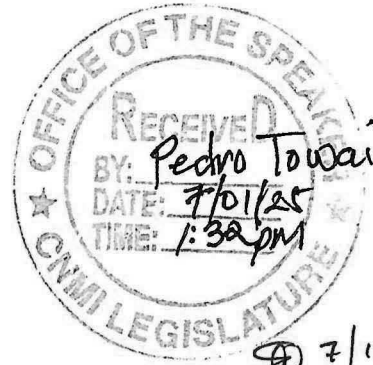
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
OFFICE OF THE GOVERNOR

June 30, 2025

GOV 2025-506

The Honorable Edmund S. Villagomez
House Speaker
24th Northern Marianas Commonwealth Legislature
P.O. Box 500586
Saipan, MP 96950

The Honorable Dennis C. Mendiola
Senate President
24th Northern Marianas Commonwealth Legislature
P.O. Box 500586
Saipan, MP 96950



7/1/25

Re: Fiscal Year 2026 Budget

Dear Speaker Villagomez and President Mendiola:

I am writing to inform you that my Administration will not be submitting a revised Fiscal Year 2026 Budget on July 1, 2025. The budget proposal submitted on April 1, 2025, will remain as the official proposal for the upcoming fiscal year.

This decision is based on the confirmation from the Secretary of Finance that there are no changes to the revenue projections for Fiscal Year 2026.

In addition, my Administration—through the Commonwealth Economic Development Authority—is actively engaged in discussions with the Marianas Public Land Trust (MPLT) to secure a \$29 million pension obligation interim bond, as authorized under Public Law 18-12 and its amendments (PL 18-44, PL 18-45). These funds are critical to meeting the minimum annual payment obligation to the NMI Settlement Fund retirees for Fiscal Year 2026.

The April 1st budget assumes successful execution of the bond by October 1, 2025, and includes a \$5.45 million anticipated debt service payment. Recent discussions with MPLT reflect strong interest in legislative collaboration — specifically concerning authority for interest withholding. My Administration is fully committed to working with you to move this initiative forward and prevent significant cuts to vital services in the new fiscal year.

TO: GOVERNOR'S OFFICE
RECEIVED BY: [Signature]
DATE: 7/9/2025
TIME: 11:08 AM

Thank you for your leadership and for your ongoing dedication to the people of the Commonwealth.

Respectfully,



ARNOLD I. PALACIOS
Governor



MISC COMM: 24-46
(HOUSE)

MARIANAS PUBLIC LAND TRUST
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

July 1, 2025

Governor Arnold I. Palacios
Office of the Governor
Hon. Juan A. Sablan Administration Building
Saipan, MP 96950

Via Hand Delivery

Reference: *In re: Request for MPLT Loan/Investment \$29 Million Dollars on Pension Obligation Bond Anticipation Note. Informal Notice regarding Trustees' Preliminary Decision to Consider the Loan Request with specific conditions.*

Dear Governor Palacios,

On June 30, 2025, at the Marianas Public Land Trust (MPLT) General Fund regular meeting, the Trustees approved to consider Scenario 2 (Low Interest) of the Administration's \$29 million investment proposal. As you know, Scenario 2 requires the full faith and credit of the CNMI Government, through legislation authorizing MPLT to withhold 100% distributable net income as payment towards debt service of an approved investment. Furthermore, the MPLT Trustees set a deadline of 90 days for the passing of the required withholding legislation and due diligence review process. Scenario 2 is the only option the Trustees have decided to consider.

MPLT looks forward to working with your office and the Legislature on the coordination of further discussions.

Should you have any questions, please contact our office at (670) 322-4401/4402.


Sincerely,

FOR 


Barbara Reyes, AIF®
Administrator

cc: Lieutenant Governor David M. Apatang
Dennis C. Mendiola, President of the Senate
Jude U. Hofschneider, Chair, Senate Fiscal Affairs Committee
Edmund S. Villagomez, Speaker of the House
John Paul Sablan, Chair, House Ways & Means Committee
Blas Jonathan Attao, Vice Chair, House Ways & Means Committee
MPLT Trustees
\$29 Million NMISF Loan File



 7/2/25

P.O. Box 501089, 1222 Capital Hill Road, Capital Hill Saipan, MP 96950
Telephone: (670) 322-4401 or 322-4402

RECEIVED BY 
DATE 7/9/2025 TIME 11:08 AM



Legislative Bureau
NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
P.O. BOX 500586
SAIPAN, MP 96950

FISCAL IMPACT ANALYSIS

Date: August 22, 2025

House Standing Committee: Ways and Means

Legislation: HB 24-50

Short Title: To authorize a loan between the Commonwealth Government and the Marianas Public Land Trust in the amount of \$29,000,000 and authorize the Marianas Public Land Trust to withhold and retain net annual distributable income starting Fiscal Year 2026 for repayment and security of the loan.

Analysis: The Commonwealth will benefit from the authorization of a loan between the Marianas Public Land Trust and the CNMI Government as it will help supplement for the \$29,000,000 minimum annual payment to the CNMI Settlement Fund.

*** E N D ***

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH

LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

August 15, 2025

Second

Regular Session, 2025

H. B. 24-50

A BILL FOR AN ACT

To authorize a loan between the Commonwealth Government and the Marianas Public Land Trust in the amount of \$29,000,000 and authorize the Marianas Public Land Trust to withhold and retain net annual distributable income starting Fiscal Year 2026 for repayment and security of the loan.

BE IT ENACTED BY THE 24TH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

1 **Section 1. Findings and Purpose.** The Legislature finds that a loan from
2 the Marianas Public Land Trust (“MPLT”) is required to meet the Minimum
3 Annual Payment to the Settlement Fund in light of the strain on the
4 Commonwealth’s fiscal resources imposed by the exhaustion of federal assistance
5 and ongoing slow recovery of tourism in the wake of the COVID-19 pandemic.

6 The Final Amended Agreement and Stipulation of Settlement in Johnson v.
7 Inos et al., 1:09-cv-00023 (D. N. Mar. I. Aug. 6, 2013), ECF No. 468-1 at 11,
8 requires the CNMI “to make minimum annual payments to the Settlement Fund
9 sufficient to enable the Settlement Fund to pay 75% of Class Members’ Full
10 Benefits each year for the Settlement Fund’s expected life as determined by an
11 independent actuary appointed by the Trustee and approved by the District Court.”

1 In accordance with Article X, Section 3 of the NMI Constitution, the
2 Legislature is authorizing a loan from the Marianas Public Land Trust to pay the
3 Minimum Annual Payment for Fiscal Year 2026 in the amount of \$29 million
4 (\$29,000,000.00) and with a simple interest rate of 7.5% calculated annually.

5 The Legislature pledges as security and earmarks for debt service until the
6 loan is redeemed the interest accrued on MPLT's trust proceeds and owed to the
7 Commonwealth pursuant to Article XI, Section 6(d) of the NMI Constitution. That
8 is, the Legislature authorizes MPLT to withhold transfer of accrued interest on the
9 trust proceeds until such time as the principal and interest loan balance is redeemed.

10 **Section 2. Enactment.** The following provision is hereby enacted:

11 “§ 101. Notwithstanding any provision of law to the contrary, the
12 Commonwealth Government, through the Governor and the Secretary of Finance,
13 is authorized to enter into an agreement with the Marianas Public Land Trust for a
14 loan in an amount not to exceed \$29,000,000 at an interest rate not to exceed 7.5 %
15 per annum simple interest on such terms as are mutually agreed upon by the
16 Marianas Public Land Trust and the Commonwealth Government.

17 § 102. Distributions into the Commonwealth General Fund of interest
18 accrued on the trust proceeds of the Marianas Public Land Trust for Fiscal Year
19 2026, and for each fiscal year thereafter until such time as the loan described in the
20 foregoing section of this chapter is fully satisfied and retired, shall be appropriated
21 to service debt on the said loan.

1 § 103. The Secretary of Finance shall issue a quarterly summary “MPLT
2 Loan Report” which shall be a financial statement detailing the loan balance, the
3 interest accrued, list of expenses, drawdown breakdown, and any reductions due to
4 Marianas Public Land Trust withholding the interest distribution. This MPLT Loan
5 Report shall be submitted to the Governor, Lt. Governor, the presiding officers of
6 both houses of the Legislature, and the trustees of the Marianas Public Land Trust.
7 The Secretary of Finance shall further provide a drawdown payment list to each of
8 the above-enumerated entities prior to expending the funds.”

9 **Section 3. Severability.** If any provisions of this Act or the application of
10 any such provision to any person or circumstance should be held invalid by a court
11 of competent jurisdiction, the remainder of this Act or the application of its
12 provisions to persons or circumstances other than those to which it is held invalid
13 shall not be affected thereby.

14 **Section 4. Savings Clause.** This Act and any repealer contained herein
15 shall not be construed as affecting any existing right acquired under contract or
16 acquired under statutes repealed or under any rule, regulation, or order adopted
17 under the statutes. Repealers contained in this Act shall not affect any proceeding
18 instituted under or pursuant to prior law. The enactment of the Act shall not have
19 the effect of terminating, or in any way modifying, any liability, civil or criminal,
20 which shall already be in existence on the date this Act becomes effective.

1 **Section 5. Effective Date.** This Act shall take effect upon its approval by
2 the Governor, or it becoming law without such approval.


Prefiled: 8/12/2025

Date: _____

Introduced by: _____


Rep. John Paul P. Sablan

Reviewed for legal sufficiency by:


House Legal Counsel

Date: 8-12-25